



AGENCY FOR FINANCIAL SUPPORT OF AGRICULTURE AND RURAL
DEVELOPMENT OF REPUBLIC OF NORTH MACEDONIA

**Workshop on early IPARD II calls
successes // challenges // lessons learnt**

**10th – 11th April 2019
Becici, Montenegro**



ANNOUNCED PUBLIC CALLS FOR IPARD 2014–2020 (1)

Public call 01/2017

- ▶ Available budget for measure 1 according to the Program for the years 2014 till 2018: 12.530.001,00 € (EU part)
- ▶ Available budget for measure 3 according to the Program for the years 2014 till 2018: 11.530.000,50 € (EU part)
- ▶ Available budget for measure 7 according to the Program for the years 2014 till 2018: 2.700.000 € (EU part)

Results:

[Info on public calls_1-3_04042019.xlsx](#)



ANNOUNCED PUBLIC CALLS FOR IPARD 2014-2020 (2)

- ▶ Public call 01/2018 announced only for measure 3, available budget 13.178.668 €
- ▶ Public call 02/2018 announced only for measure 1, available budget 11.883.772 €

Results: [Info on public calls_1-3_04042019.xlsx](#)



Time line (planned vs realised)

- ▶ Time line planned–3 months according to the accredited procedure
- ▶ Time line realised– 18 months for public call 01 /17



What caused delays

- ▶ Human resources capacities and motivation of the employees
- ▶ Very high percentage of incomplete applications (90%)
- ▶ 15 working days + 10 if requested to complete the missing documents
- ▶ Reference price data base, not available data
- ▶ Calculation of the financial support (total public expenditure), checking the price in the RPDB for each item separately and other predicted eligibility checks
- ▶ Technical bodies



Bottlenecks and challenges encountered (1)

- ▶ Human resources capacities
- ▶ Retention policy–motivation of the experienced employees
- ▶ Hard copy applications and processing
- ▶ Huge number of applications vs number of **trained** employees
- ▶ Incomplete applications
- ▶ Low quality of the applications prepared by the extension services and the private consultants



Bottlenecks and challenges encountered (2)

Three offers rule/multiple offers, following eligibility checks must be performed:

- ▶ Reliability of the offers and suppliers
- ▶ capital connection
- ▶ comparison of the offers
- ▶ Red flags and artificial conditions
- ▶ Manner of collecting the offers, tender procedure??? Is it required as mandatory???



Bottlenecks and challenges encountered (3)

- ▶ Calculation of the size of the applicant, SME criteria for M3 and 7, especially with foreign companies
- ▶ Self-consumption concept for investments related to production of energy from renewable resources, discrepancies between the criteria from the IPARD Program and the IPARD II – guidance on renewable energy projects and the concept of 'self-consumption'



Reasonableness of costs–reference price data base (1)

Procedure and organization in AFSARD:

1. Sector for registries

- ▶ Unit for Reference Price Database
- ▶ Unit for farm register
- ▶ Unit for land parcels register

*Unit for reference price database starts its work with public call 02/2012 in the last quarter of 2012.



Reasonableness of costs–reference price data base (2)

2. Three main sources of reference prices:

- ▶ Submitted pro-invoices/offers from the all application from IPARD Programme
- ▶ Market research
- ▶ Bureau for Court Expertise mostly for construction activities

*Validity of the reference prices is 24 months.

3. Standard cost of the drip irrigation system per hectare area



Reasonableness of costs–reference price data base (3)

4. Difficulties

- ▶ Lack of interest from the companies to reply back on request from Unit for Reference Price Database.
- ▶ Delay of the response by the Bureau of for court expertise regarding the request for expertise in cases involving construction activities.
- ▶ The email request sent by the employees of the URDB being put on black list or marked as spam due to the large number of e–mail requests sent for market research



Reasonableness of costs–reference price data base (3)

5. Challenges

- Visiting fairs in order to improve cooperation with the companies which produce processing equipment.
- **Develop a methodology for standard unit cost.**



Other specificities worth mentioning – Risk of de-commitment

- ▶ Pre-financing requested for 2014 and 2015
- ▶ 3,7 million EUR had to be payed till end of 2018
- ▶ Financial contracts of 4 million EUR were signed till end of April 2018
- ▶ Exceptional situation was requested and approved for extending the period for 1 more year, n+4
- ▶ Still risk of de-commitment is present, 8.7 million EUR should be spent till end of 2019

Lessons learnt

- ▶ Retention policy must be in place, pressure to be increased
- ▶ Procedures to be modified, SPA has decreased the number of days for completing the missing documents from 15 wd (with a possibility to extend for additional 10 wd) to 8 calendar days.
- ▶ Second modification of the procedures is sent to NAO where is predicted only complete applications to be processed, still not approved
- ▶ Strengthening the capacities of the Agency
- ▶ Strengthening the capacities of the extension services
- ▶ IACS to be developed for investment measures
- ▶ Standard unit cost to be developed



▶ QUESTIONS???



THANK YOU FOR YOUR ATTENTION

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